



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: February 26, 2010
TO: Legislative Finance Committee
FROM: Taryn Purdy *TP*
RE: Operating Plan Changes

The Office of Budget and Program Planning submitted 2 operating plan changes, 2 program transfers, and 1 house adjustment that meet the requirements of 17-7-137 for prior review by the Legislative Finance Committee. An explanation of the changes is attached.

LFD staff has reviewed the proposed changes and raise no concerns.

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA

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FEB 25 2010

LEGISLATIVE
FISCAL ANALYST

BRIAN SCHWEITZER
GOVERNOR



CAPITOL BUILDING - P.O. Box 200802
HELENA, MONTANA 59620-0802

To: Amy Carlson, Legislative Fiscal Analyst
Legislative Fiscal Division

From: David Ewer, Budget Director
Office of Budget & Program Planning

Date: February 24, 2010

Subject: LFC Review & Comment on Operating Budget Changes and Program Transfers

In accordance with 17-7-138 and -139, MCA, the Governor's Office of Budget and Program Planning is submitting three operating plan changes and two program transfers that will exceed \$75,000 and 25% of a budget category or \$1 million for review and comment at the March Legislative Finance Committee meeting.

We have reviewed the requests and find them to be in compliance with state and federal laws and policies. Please let us know if you have questions or wish additional information.

CC: Taryn Purdy
John Huth
Kathy Seacat
Denise King

Budget Change Documents that Trigger - Being held for LFD/LFC Comment

Information submitted for the March 2010 LFC meeting

<u>Agency #</u>	<u>Agency Name</u>	<u>Doc #</u>	<u>Brief Explanation</u>
41100	Department of Justice	185 OP122	Request to transfer \$709,860 in FY 2010 and \$1,388,547 in FY 2011 from personal services to operating. The Motor Vehicle Division in the Department of Justice is requesting a operating authority change in the budget established for SB0508 which implements the vehicle insurance verification system. The fiscal note prepared for this legislation requested that authority for the 2011 biennium be placed in operations; however authority did get assigned to the personal services account level. This BCD is requesting to move the authority granted to personal services in both FY's 2010 and 2011 into operations.
51170	Historical Society	340 PT027	Request to transfer \$135,051 in FY 2010 and \$139,100 in FY 2011 into operating. Total authority for fixed costs was allocated to Administration program 1; however, fixed costs are allocated to individual programs for cost allocation purposes, so it is necessary to move authority to offset expenditures in the programs
51170	Historical Society	352 PT028	Request to reduce personal services by \$82,000. The Education program has vacancy savings that can be allocated to Research program and Museum program where a higher percentage of positions are filled, and it can utilize accommodation tax for 24.99% of historic interpretation related positions, which offsets general fund.
54010	Department of Transportation	480 HA021	Request to transfer \$1 million each year of the biennium from grants to transfers. Each year the State Highway Traffic Safety Administration establishes an amount of federal pass thru grant activity. Accounting treatment requires amounts to other state agencies to be recorded as transfer activity rather than grants to local programs.
54010	Department of Transportation	450 OP024	Request to transfer authority from operating (\$16,469,387) to the equipment (\$843,612), capital outlay (\$15,000,000) and grants (\$625,775). The transfer to equipment is due to a change in accounting treatment - coding CMAQ (Congestion Mitigation Air Quality) equipment purchases to equipment rather than operating or grants. The transfer of authority to capital outlay is due to an increase in expenditures in FY10 not included in the base year. The transfer of authority to grants is due to authority for the CMAQ program being budgeted in operating rather than grants.